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FARMERS' INTEREST IN THEIR MARKETING AND PURCHASING COOPERATIVES, 1949

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Farmers' financial interest for the year 1949 in over 10,000 local and regional marketing and purchasing cooperatives listed with the Farm Credit Administration totaled \$1,115,839,000.¹ Included in this total were investments of \$15,358,700 in banks for cooperatives made by marketing and purchasing cooperatives in behalf of their farmer patrons. Equities of farmers in marketing cooperatives amounted to \$743,702,000, and in purchasing cooperatives, \$372,137,000. The estimates were made possible by reports from about 5,500 cooperatives which furnished information to the Cooperative Research and Service Division regarding their individual net worths and investments in other cooperatives.

In the preparation of the estimates duplications arising from inter-cooperative investments such as investments of local associations in regional cooperatives were eliminated. Thus the final figures represent farmers' interest or equities in marketing and purchasing cooperatives and not a total of the net worths or patrons' equities in these associations.

Farmers' financial interest in marketing and purchasing cooperatives includes a limited nonfarmer ownership. This nonfarm ownership usually represented by preferred stock is believed to be of little significance in relation to total owner interest. Such nonfarm interest normally does not carry voting rights in cooperatives which are vested in those farmer members currently engaged in production.

When the associations whose business is dominantly marketing are grouped according to their principal commodity fields, farmer equities range from a low of \$4,817,000 for associations handling wool and mohair to a high of \$253,845,000 for associations engaged in handling grain, beans and rice. The farmer ownership equities in these groups, together with the equity in those associations whose business is primarily in the

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purchasing field are shown for the year 1949 in the following tabulation:

Associations grouped according to their principal activities	Farmers' financial interest
<u>Marketing</u>	
Cotton and cotton products.....	\$42,971,000
Dairy products.....	178,858,000
Fruits, vegetables, and nuts.....	174,240,000
Grain, beans and rice.....	253,845,000
Livestock and livestock products.....	15,222,000
Poultry and eggs.....	39,726,000
Tobacco.....	5,744,000
Wool and mohair.....	4,817,000
Miscellaneous marketing.....	28,279,000
Total marketing associations.....	\$743,702,000
<u>Purchasing</u>	372,137,000
Total for marketing and purchasing associations.....	\$1,115,839,000

The Balance Sheet of Agriculture, released annually by the Bureau of Agricultural Economics, shows \$127,100,000,000 as the total assets of agriculture on January 1, 1950. Financial interest of farmers in their marketing and purchasing cooperatives for the year 1949 amounted to almost \$1,116,000,000, or only .88 percent of the total assets of agriculture as represented by real estate, livestock, machinery and equipment, stored crops, household equipment, cash (including bank deposits), United States bonds and investments in cooperatives.

When farmers' financial interest in mutual telephone, irrigation and fire insurance companies, rural electric cooperatives, production credit associations and national farm loan associations, is added to their \$1,116,000,000 equity in marketing and purchasing cooperatives, the total becomes \$2,205,000,000. Farmers' interest in marketing and purchasing cooperatives comprises almost 51 percent of this total.

